

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE AND FEE CHANGES, 2000)

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Docket No. R2000-1
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

VAL-PAK DIRECT MARKETING SYSTEMS, INC.,
VAL-PAK DEALERS' ASSOCIATION, INC., AND
CAROL WRIGHT PROMOTIONS, INC
SECOND INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
TO UNITED STATES POSTAL SERVICE
WITNESS VIRGINIA J. MAYES (VP-CW/USPS-T32-4-10)
(March 8, 2000)

Pursuant to sections 25 and 26 of the Postal Rate Commission rules of practice, Val-Pak Direct Marketing Systems, Inc., Val-Pak Dealers' Association, Inc., and Carol Wright Promotions, Inc., hereby submit interrogatories and document production requests. If necessary, please redirect any interrogatory and/or request to a more appropriate Postal Service witness.

Respectfully submitted,



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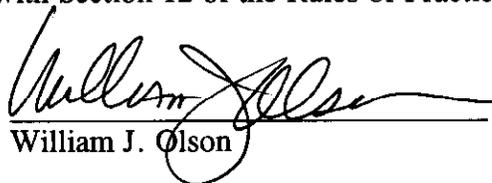
Val-Pak Direct Marketing Systems, Inc.,

Val-Pak Dealers' Association, Inc., and

Carol Wright Promotions, Inc.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.



William J. Olson

March 8, 2000

VP-CW/USPS-T32-4.

Your testimony at page 38 (ll. 11-12) states that delivery of ECR mail may be deferred.

- a. Under Postal Service standards, regulations or other guidelines what is the maximum length of time that ECR Mail can be deferred (i) at a DDU, (ii) at a DSCF, (iii) at a DBMC, (iv) at a OBMC, and (v) at a OSCF?
- b. Assume that Standard A ECR Mail is entered at an OBMC and deferred the maximum allowable time at each successive facility through which it passes. What is the maximum deferral possible (within established standards) from time entered until delivered?
- c. Does the Postal Service keep any kind of records on either (i) the number of occasions that ECR Mail is actually deferred, or (ii) the length of deferral when ECR Mail is deferred? Please explain any answer that is not an unqualified negative, identify the type of records kept, and provide available data on deferral.

VP-CW/USPS-T32-5.

- a. Please identify all applicable service and/or delivery standards, commitments, goals, regulations or other guidelines by whatever name for Standard A ECR and/or Regular Mail. If there are different types of standards, please distinguish between them.

- b. Please identify whether the Postal Service provides different services or has different delivery standards for Standard A ECR and/or Regular Mail entered at (i) DBMCs, (ii) DSCFs and (iii) DDUUs.
- c. Please confirm that, according to the Postal Service's statement in this docket in compliance with Rule 54(n), no class or subclass of mail has a lower service standard than Standard A. If you do not confirm, please explain your answer fully.
- d. Please refer to Exhibit USPS-32B. Please confirm that, for Test Year After Rates, only the Express Mail subclass and Stamped Cards special service would receive a cost coverage that is as high or higher than that applied to Standard A ECR.
- e. In your opinion, do any issues of fairness and equity arise when a subclass such as Standard A ECR with the lowest service standard pays the second-highest cost coverage of any subclass?
- f. Please explain what information the Postal Service's statement in compliance with Rule 54(n) provides about the service actually provided to Standard A mail.

VP-CW/USPS-T32-6.

At page 38 (ll. 12-13) of your testimony, you refer to the Postal Service accommodating mailer requests for delivery within a specific time frame.

- a. With respect to the Postal Service's efforts to accommodate such requests, can ECR mailers request day-certain delivery? If so, under what conditions?

- b. If a request for day-certain delivery is not an option, what is the minimum time frame that ECR mailers can request? (*E.g.*, two days? three days?)
- c. With respect to ECR mail for which delivery has been requested within a specific time frame, does the Postal Service keep any kind of records, or have any data that would show the percentage of ECR mail that is in fact delivered within the time frame requested by mailers? If so, please provide such data for Base Year 1998.
- d. How many P&DCs are able to retain large volumes of Standard A Mail where delivery is requested within a specific time frame?

VP-CW/USPS-T32-7.

- a. Your testimony at pages 2-3 lists the nine criteria of 39 U.S.C. §3622(b). In your opinion, under which of the nine criteria should the actual performance in delivery be reflected? If you do not consider actual service performance to be relevant to the establishment of pricing levels, please explain why.
- b. (i) Please indicate those subclasses for which have you endeavored to take account of actual performance in delivery provided by the Postal Service, and (ii) please indicate how such performance in delivery affected your recommendation to increase or reduce the cost coverage.

VP-CW/USPS-T32-8.

Is it your testimony that application of criterion 6 requires imposition of a higher cost coverage wherever a greater degree of preparation by the mailer is found? Please explain your answer fully.

VP-CW/USPS-T32-9.

In your testimony at page 10 (ll. 6-8), you state that “as the degree of preparation increases over time, all else equal, the coverage required to obtain the same contribution also increases.”

- a. Did you establish a target contribution (either an aggregate contribution or a per-piece contribution) for the Standard A ECR mail subclass? If so, how was it calculated?
- b. Please define “same contribution.”
- c. Did the reduction in Standard A ECR’s cost coverage — in the rates implemented following Docket No. R97-1 — result in a reduction in Standard A ECR’s contribution to the Postal Service’s institutional costs?

VP-CW/USPS-T32-10.

Please refer to page 39 (ll. 15-17) of your testimony where you state that application of several of the statutory criteria to Standard A ECR “would indicate a cost coverage even lower than that actually proposed,” however, “this would mean shifting the additional burden of covering institutional costs to other subclasses.”

- a. Do any of the statutory criteria indicate a cost coverage higher than that actually proposed?
- b. Please confirm that the system-wide proposed rate increases average 6.4 percent. If you do not confirm, please provide the correct figure.
- c. Does the fact that certain other subclasses have a lower than system-wide average proposed rate increase (*i.e.*, less than 6.4 percent) have any relevance to your decision not to shift the “additional burden of covering institutional costs” to these subclasses?